

new supplies of paper across the spectrum of grades. For example, the Caraustar paperboard mill in Charlotte and two similar mills in South Carolina are actively seeking new sources of mixed paper. Most paper grades at the time this fact sheet was being written are at historically high prices (see charts above). Consolidation in the paper industry and new on-line trading systems are decreasing the volatility of paper market trading.

- **Plastics** – The commonly collected plastics, PETE (soda bottles) and HDPE (e.g., milk jugs, etc.) have suffered low prices in the past couple of years, but their prices have begun to rise (see chart above). Trade association groups consistently report that demand exceeds supply for both resins. Both major soft drink bottlers, Coke and Pepsi, are recommitting themselves to putting recycled content plastic in their bottles. They would move more aggressively but are concerned about competing with carpet companies over the limited supply of collected PETE. Plastics processors in North Carolina have indicated that they have a much harder time finding supply rather than demand for their materials – one has noted that dwindling supply is becoming “a crisis.”
- **Aluminum Cans** – An analysis in the March 2000 Resource Recycling documented a “bull market” in aluminum recycling, in large part due to the rebound of the global economy. The chart on prices above reflects increasing demand. Global inventories are at their lowest in a decade; as the industry fills those inventories, prices should rise and stay stable. Aluminum experiences ups and downs, as does any market, but on a material values basis, it is clearly the most lucrative market available to local government programs.
- **Steel Cans** – Steel can prices went through a severe downfall in 1999 as the North American scrap industry struggled with “dumping” of cheap foreign scrap into domestic markets. Before then, prices were very stable and can prices have recently rebounded (see chart above). Because steel cans are a very small portion of overall scrap ferrous metal consumed by the steel industry, there is almost an insatiable demand for cans. The difficulty for North Carolina recyclers is that cans must be shipped to end-use mills out of state. This situation will change with the opening of the Nucor mill in Hertford County in coming years.
- **Construction and Demolition Waste** – The construction and demolition waste stream, or C&D, contains elements (e.g., cardboard, metals) that are readily recyclable, and that have a widespread infrastructure and stable demand. The recycling infrastructure for many other elements is growing. A recycler of gypsum wallboard in the Piedmont has experienced much difficulty finding adequate supply. Markets for materials like vinyl siding and carpet are growing, and the number of mobile grinding contractors for concrete is also rising. In many cases, local governments need not necessarily put in a recycling infrastructure for C&D recycling, but instead concentrate on promoting and facilitating the private infrastructure that is developing in the community.

## **WHAT SOME COMMUNITIES ARE EXPERIENCING AND WHAT THEY ARE DOING:**

Local government programs in North Carolina either market their materials directly or through use of a contractor. Those that market directly usually have a processing center for materials that provides the critical link between collection efforts and the transportation of materials to market. Other communities have arranged by contract for the processing of materials or their contracted hauler takes on that role. Either way, **processing is a critical step in consolidating materials, separating commingled streams, removing contaminants, and preparing recyclables for efficient transportation.** Because markets are almost always outside of a community and often distant, efficiency is gained through shipping loads that are as large and clean as possible.

In June 2000, DPPEA surveyed local governments on their experience with recycling markets. Those surveyed represented a mix of municipal and county governments of different sizes spread across North Carolina. They also represented both those that market directly and those that market through contractors.

Although the survey revealed some specific challenges, especially in certain rural areas of North Carolina, it documented that markets in general allow for continuation and strengthening of recycling programs. Fifteen out of sixteen respondents said they could increase recovery of currently collected materials without experiencing market problems. The one negative response had to do with C&D materials, which has a relatively weak infrastructure in their county. Two counties noted that “markets are begging for materials.” Eleven out of sixteen respondents said